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[SHIPPING]

REPORTS OF ANY SUBSIDIARY BODIES WHICH MAY HAVE BEEN CREATED

Intergovernmental Group of Experts on Ports

Note by the UNCTAD secretariat

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* For the provisional agenda of the second session, see TD/B/CN.4/17/Rev.1.

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I. INTRODUCTION

1. In the wake of UNCTAD VIII, the new work programme adopted in the field of port services accentuated the need for a comprehensive in-depth examination of the work so far carried out and an analysis of emerging trends and developments to guide the UNCTAD secretariat's endeavours between Conferences. To fulfil this task and to achieve these objectives, it was considered appropriate to convene an Intergovernmental Group of Experts on Ports. Terms of reference were drafted and submitted to the Secretary-General's consultative mechanism under paragraph 83 of the Cartagena Commitment. These terms of reference, as set forth in TD/B/CN.4/20/Rev.1, were approved by the Trade and Development Board at its thirty-ninth session in March 1993 and it was decided to convene the Intergovernmental Group of Experts from 25 to 29 October 1993.

2. The objective of the Intergovernmental Group, as described in the terms of reference, was to consider factors which can contribute towards the efficient and sustainable development of ports, as well as means of enhancing competitiveness and the capacity for a country's foreign trade through the development of its ports. The Group had to focus on port organization and management, to assess the potentialities for increased regional cooperation, to review the relevant publications produced by the secretariat, to comment on their relevance, applicability and distribution and to determine if gaps existed in the information on port organization and management. It was also requested to indicate priority on specific subjects of the approved work programme, to review the work of the secretariat in the field of port management training and technical cooperation and finally to prepare a report on the items considered for submission to the Standing Committee on Developing Services Sectors at its second session.

3. To supplement the secretariat's expertise, managers from selected ports presented their experience in the fields of port organization and port management during the session. The session was preceded by two one-day high-level seminars on the subjects of Port Marketing and EDI in Ports, each of which attracted about 60 participants from both the public and private sectors. Representatives from 67 States (66 members and one observer), four specialized agencies, one intergovernmental organization, three non-governmental organizations and two other organizations participated in the session. One hundred and eighty-four representatives were present and three quarters came from the capitals or ports. The number and high level of the participants and the scope and quality of discussions demonstrated the importance of such a meeting to the international port community.

4. With the support of background documents 1/ and presentations made by the secretariat and other participants, the Group of Experts thoroughly discussed the issues of port organization and management. Presentations by port managers provided detailed information on their practical experience in privatization, commercialization and strategic planning and were followed by lively question and answer sessions. The expertise and experience of experts from both developed and developing countries provided valuable insights on the problems of port and port-related services development.

5. The large number of experts present testified to the particular interest in ports and their role in trade. There was recognition that the role of ports was changing to deal with today's new economic environment. Ports would not be able to play this new role fully if others, such as supervisory bodies, did not recognize this change. It was therefore important to increase public awareness about the vital role ports could play in local and national economies, about the employment they provided and the economic activity they generated and about the important role they play in the global economy. The Chairperson underlined the comprehensive and constructive recommendations put forward by the Group. On the basis of the presentations made and the discussion of the documents submitted, the Group adopted at its final plenary conclusions entitled "Ports - Preparing for the Millennium".

6. These conclusions, together with the summary prepared by the Chairperson of the informal discussions, are contained in TD/B/CN.4/28. The present note by the secretariat briefly outlines the results of the Group of Experts and summarizes the conclusions and recommendations adopted by the Group.

II. RECOMMENDATIONS OF THE GROUP OF EXPERTS 2/

A. General recommendations

7. The Group of Experts recommended reflection by Governments on the importance of the role of their ports and their great potential for fostering trade and development. In order to adopt appreciative port policies, the Group recommended the use of long-term (or master) planning and strategic business planning methodologies to assist Governments and ports to translate objectives into policy, strategy and implementation steps, including performance goals and evaluation mechanisms. These must assure the inclusion of management, human resources, legal, financial and operational tactics, including managerial autonomy where appropriate.

8. The Group recommended that the UNCTAD secretariat continue its work in cooperation with its sister agencies within the United Nations and other available expertise in the many areas of port activity, including technical assistance, studies, training and communication, and that the findings and results of its activities be shared through its usual methods and meetings of the Intergovernmental Group of Experts on a more frequent and regular basis. The Intergovernmental Group of Experts invited the Standing Committee to examine the possibility of convening such meetings in the future. Further, the Group proposed that port matters be more often included as specific items on the agenda(s) of national, regional, intergovernmental and international meetings regarding trade, development and environmental issues and not be entertained solely as sub-items of other topics.

9. The Group recognized that privatization/commercialization/federalization could be of value in certain areas, judiciously chosen, relevant and appropriate to the conditions prevailing in the country. Because this is an emerging approach and because other approaches may be equally useful depending on the local government and social conditions, the Group recommended further study and analysis of the strengths/weaknesses of each of these concepts and an assessment of the economic implications of splitting functions between the public and private sectors.

10. Regional cooperation among ports has been achieved in some areas and proved to be useful. The Group recommended that UNCTAD identify and document where, and in what form, these cooperative efforts exist, the areas of activity covered and the value identified by the participants.

11. The Group supported the conclusions and recommendations of the informal meeting of legal experts on port matters which are embodied in UNCTAD/SHIP/639, annex I, in particular the reference to the creation of an international body of port jurists. The legal experts recommended that each country should develop a legal framework at both the national and local levels in the light of its national legislation to allow an appropriate system of commercial management. The legal experts also recommended that consideration be given to the definition and role of ports through the amendment and possible extension of the Geneva Convention (1923) on freedom of access to, and navigation in, maritime ports.

12. Taking into account the importance of environment and sustainable development, the Group of Experts made a number of recommendations on this subject. There should not be any competition between ports based on the lack of protection of the environment. Guidelines should be drawn up that clarify the responsibilities of the port authority and other entities, both governmental and non-governmental, in relation to the protection of the environment. The examination and use of incentives and use of innovative funding sources should be considered by international institutions or national Governments where and when a concrete strategy and plan with reasonable outcome has been developed. A focal point should be established in all ports for environmental matters in order to collect and disseminate information. Such a focal point should contribute to the formulation of the port environmental policy in such a way that international instruments or recommendations are taken into account as well as national interests and regulations. A coordination mechanism such as an Environmental Committee should be created to coordinate action, inform all interested parties and give them the opportunity to present their views and obtain their support. The critical natures of the linkages between ports and cities need to be recognized and strengthened, particularly the need to sustain ports and their links to cities while sustaining and protecting the environment for future generations. It must be recognized that maritime activities do not and cannot take place in pristine estuaries.

B. Specific recommendations

1. Port policy

13. The Group recommended that port policy reflect that ports are important, but other links in the transport chain (railways, roads, waterways) and other integrated services like customs, police and local authorities must not be neglected.

14. The Group recommended that this policy be implemented by optimum utilizations of labour, more efficient cargo handling, intensive use of EDI, streamlined procedures and efficient use of equipment. The Intergovernmental Group of Experts recommended that the examination and use of incentives and

use of innovative funding sources be considered by international institutions or national Governments where and when a concrete strategy and plan with reasonable outcome has been developed.

2. Port organization and management

15. The Group recognized the need to modernize the present organization of the port system. This is a process which needs to take into account the social and economic realities and particularities of the country under consideration. The Group recognized also that the modernization process must be supported by an appropriate legal framework, which will take into account the most adequate division of responsibilities between central, regional and local levels, the role to be played by national and foreign private entities and the role of port labour as ports become more capital/technology oriented.

16. The Group recommended that a port policy, with clear objectives and development strategies focusing on the institutional changes needed to cope with changes in trade and transport, be defined. The Group also recommended that the UNCTAD secretariat explore the possibility of the International Association of Ports and Cities preparing a study on the issue of sustainability and the linkages between cities and ports, to be published within existing resources by UNCTAD.

C. Recommendations concerning UNCTAD secretariat activities

17. The Group, having reviewed the UNCTAD publications in the ports field, has found them highly satisfactory. They are generating a high level of interest in all countries, particularly in developing ones which have not always the capacity to carry out similar in-depth investigation. However, there is no doubt that information on the type of work done by the United Nations system in the field of port organization and management is not disseminated widely enough. The UNCTAD Ports Newsletter is a very useful initiative which is contributing to fill this gap. However, its distribution should be amended to include, in addition to the general manager of one or two ports in each country, other key stakeholders. Further, subscriptions should be encouraged to assure a reliable distribution methodology within UNCTAD.

18. Account being taken of the fact that four studies have already been envisaged, as part of the UNCTAD work programme in 1994 and 1995, 3/ the Group recommended the following topics as priorities for further studies, if enough resources are available:

(a) Survey of national port systems;

(b) Analysis of the relationship between the city and the port;

(c) Case studies on human resource development in ports.

19. The Group believed that the cooperation between ports at various levels in sharing information, exchanging experiences, training activities and marketing expertise should be strongly encouraged by UNCTAD and Governments.

20. Training is one of the most important domains where the assistance by UNCTAD could be provided. The Group appreciated the efforts made and positive results achieved so far and recommended that the necessary resources should be assured and the training programmes should be maintained and reinforced.

21. The Group has taken note, with appreciation, of the fact that more than 50 per cent of the resources available to UNCTAD in the ports field are allocated to technical cooperation and training activities. The Group reiterated its support to the present clear-cut delineation of activities of UNCTAD's various training programmes in the ports field in order to avoid duplication and overlapping. The UNCTAD secretariat's initiative to launch a port diploma course for middle managers and new recruits is welcome and should be further pursued in cooperation with other interested organizations. This should be complemented by the development of new policy seminars and the updating of existing ones to take into account the new developments taking place in trade and transport. The Group also recommends that the TRAINMAR network be extended and strengthened for the benefit of middle and junior port managers, the strengthening of port training initiatives and the fostering of cooperation among training institutions.

22. The Group was pleased to have a presentation on the UNDP/UNCTAD/WFP technical cooperation programme to rehabilitate the ports of Somalia. It strongly recommended that donor countries and ports in a position to do so join in their endeavour and contribute to the full rehabilitation of the Somalia port system. The Group further recommends that UNCTAD should act as an information exchange point for ports seeking information on technical cooperation cases like that of Somalia and Liberia.

D. Miscellaneous items

23. The Group is of the view that a biennial meeting is advisable, preceded by a high-level seminar, and the Standing Committee is invited to consider this possibility.

24. The Group recommended that a list should be drawn up for reference of Governments and ports, on request, indicating ports, private companies and individuals who are able and willing to offer port management expertise.

III. ACTION REQUESTED OF THE STANDING COMMITTEE

25. The recommendations of the Intergovernmental Group of Experts on Ports concerning the secretariat's activities can be summarized as follows:

(a) to promote transparency and cooperation between ports, the Ports Newsletter should be continued;

(b) to provide guidance to Governments on port development, the Monographs on Port Management and the programme of research studies should be continued and expanded if enough resources are available;

(c) to assist Governments to achieve efficiency and sustainable development in ports, UNCTAD's programme of human resource development and technical cooperation should be maintained and reinforced;

(d) to assist the Standing Committee in undertaking its work, a second session of an Intergovernmental Group of Experts on Ports should be scheduled in late 1995 or early 1996. In line with the studies to be undertaken, the secretariat suggests the following subjects be considered at the second session of the Group of Experts: port organization (privatization, commercialization and deregulation); financial aspects of port management (including pricing); human resource development; and regional port cooperation.

After consideration of the conclusions of the Group of Experts and bearing in mind its valuable inputs to the work programme, the Standing Committee is invited to endorse the recommendations of the Intergovernmental Group of Experts on Ports as set out in TD/B/CN.4/28, annex I.

Notes

1/ See Report of the Intergovernmental Group of Experts on Ports (TD/B/CN.4/28), annex II; paragraph 1 for a list of the background documents. A summary of these background documents is given in the UNCTAD secretariat report, Port organization and management (TD/B/CN.4/GE.1/2) which was prepared for the Group meeting.

2/ Summarized or extracted from the report of the Intergovernmental Group of Experts on Ports (TD/B/CN.4/28), annex I.

3/ These are: 1994: "Strategic port pricing" and "Comparative analysis of privatization, commercialization and deregulation in the port field"; 1995: "Potentialities for regional cooperation in the ports field" and "Financial aspects of port management".